

What's in This Handbook

The information in this *Consumer's Resource Handbook* is presented in two parts: (1) tips on buying products and services and (2) contacts for information and assistance.

Part I of the *Handbook*, "Buying Smart," gives tips on getting the most for your money, handling your own complaint and writing a complaint letter. Part I also provides tips on a number of consumer issues such as choosing and using credit, protecting personal privacy and avoiding many types of frauds and scams.

Part II of the *Handbook*, "Consumer Assistance Directory," lists offices you can contact for help with problems or questions. This section provides individual names (where available), addresses, and telephone and fax numbers for contacts ranging from consumer organizations to corporations to government agencies at city, county, state and Federal levels. Some of these consumer assistance groups are highlighted below; for a complete list of agencies in Part II, see the "Contents."

Throughout the sections, a number of electronic addresses are listed for access through the worldwide web. The websites listed here omit <http://> and begin with www (in the interest of space). Listed also are telephone numbers which provide access for hearing and speech impaired consumers; they are in **bold type**. A subject "Index" is at the end of the *Handbook* to help you locate information about specific topics.

National Consumer Organizations

There are a number of national organizations whose missions are defined as consumer assistance, protection and/or advocacy. Several of these organizations assist consumers directly; others are interested in hearing from consumers about problems and concerns; most, though not all, develop educational materials for consumers. Addresses, telephone numbers and descriptions of 30 of these organizations are listed in the "National Consumer Organizations" section of this *Handbook*, beginning on page 31.

Better Business Bureaus

There are 162 Better Business Bureaus (BBBs) and branches in the United States. These Bureaus are non-profit organizations supported primarily by local businesses. BBB's offer a variety of services, including general consumer information on products or services, business reliability reports, background information on local businesses and organizations, and records of a company's complaint-handling performance.

The Council of Better Business Bureaus, which is supported by national companies and the nation's BBBs, also offers consumer education programs, reports on charitable organizations, alternative dispute resolution services and assistance with complaints about the truthfulness and accuracy of national advertising, including children's advertising. A description of the Council is on page 32 and a list of BBBs

operating in the United States begins on page 34.

Corporate Consumer Contacts

Many companies have consumer affairs or customer relations departments to answer questions or help resolve consumer complaints. The addresses and telephone numbers of more than 650 companies are listed in the "Corporate Consumer Contacts" section of this *Handbook*, beginning on page 39. If you write to the company, you may use the sample letter on page 8 as a guide.

Car Manufacturers

Most foreign and American car manufacturers have national or regional offices which handle consumer complaints not resolved by your local car dealer. The list of "Car Manufacturers" begins on page 64.

Trade Associations' and Other Dispute Resolution Programs

There are nearly 40,000 trade and professional associations in the United States representing a variety of interests (for example, banking, insurance, clothing manufacturing) and professions (for example, accountants, lawyers, doctors, therapists).

Some of these associations and their members have established programs to help consumers with complaints not resolved at the point of purchase.

Trade associations have various consumer functions, which are described in *National Trade & Professional Associations of the United States*. Check your local

library for this book and related sources of help.

A list of “Trade Associations’ and Other Dispute Resolution Programs” begins on page 68.

State, County and City Government Consumer Offices

State and local consumer protection offices can help you resolve consumer complaints and provide you with consumer education information. These agencies might mediate complaints, conduct investigations, prosecute offenders of consumer laws, license and regulate professions, promote strong consumer protection legislation, provide educational materials and advocate in the consumer interest. It is important to report complaints and suspected frauds and misrepresentations to these governmental agencies. Consumer complaints form the basis of most consumer protection law enforcement actions.

If you want to file a complaint, call your local consumer protection office to learn what you need to do. A list of “State, County and City Government Consumer Protection Offices” begins on page 71.

State Agencies and Commissions

In addition to state and local consumer offices, many states have special agencies and commissions to handle consumer questions and complaints about services for senior consumers and for disabled persons, as well as services provided by financial

institutions and insurance companies. Other state agencies regulate securities, utilities and weights and measures. These state agencies are listed separately, beginning on page 85.

In addition, a variety of other helpful community services might be available in your area. For example, county and state Cooperative Extension Services offer information about health, safety, product comparisons, financial planning and nutritional needs. Information about these and other state and local services can be found at your library and in the telephone directory in the city/municipal, county or state government listings.

Military Commissary and Exchange Offices

Interested consumers will find a list of “Military Commissary and Exchange Offices” on page 105. The list includes the regional offices and headquarters for all the Armed Forces exchanges and commissaries.

Selected Federal Agencies

Many Federal Government agencies can help you with consumer questions and complaints. A number of these agencies have enforcement authority and/or complaint-handling responsibilities. The Federal agencies listed, beginning on page 107, respond to consumer complaints and inquiries.

Other Sources of Information and Assistance

Consumer Credit Counseling Services

Counseling services provide assistance to individuals having difficulty budgeting their money and/or meeting necessary monthly expenses. Many organizations, including credit unions, family service centers and religious organizations, offer some type of free or low-cost credit counseling.

The Consumer Credit Counseling Service (CCCS) is one non-profit organization that provides money management techniques, debt payment plans and educational programs. Counselors take into consideration the needs of the client as well as the needs of the creditor when working out a debt repayment plan. You can find the CCCS office nearest you by contacting the National Foundation for Consumer Credit, Inc., 8611 Second Avenue, Suite 100, Silver Spring, MD 20910-3372; Toll free: 800-388-CCCS.

Consumer Groups

Private and voluntary consumer organizations usually are created to advocate specific consumer interests. In some communities, they will help individual consumers with complaints. However, they have no enforcement authority. To find out if such a group is in your community, contact your state or local government consumer protection office. A list of the state and local offices begins on page 71.

Federal Information Center

The Federal Information Center (FIC), administered by the General Services Administration, can help you find information about the Federal Government's agencies, services, and programs. The FIC can also tell you which office to contact for help with problems.

You may call toll free from anywhere in the United States to 800-688-9889. Users of text telephones (TDD/TTY) may also call toll free by dialing 800-326-2996.

The FIC is open from 9 a.m. to 5 p.m. local time, except in Alaska (8 a.m. to 4 p.m.) and Hawaii (7 a.m. to 3 p.m.).

Consumer Information Catalog

The *Consumer Information Catalog* lists approximately 200 free or low-cost Federal booklets with helpful information for consumers. Topics include careers and education, cars, child care, the environment, Federal benefits, financial planning, food and nutrition, health, housing, small business and more. This free *Catalog* is published quarterly by the Consumer Information Center of the U.S. General Services Administration. Single copies of the *Catalog* only may be ordered by sending your name and address to Catalog, Consumer Information Center, Pueblo, CO 81009 or by calling 719-948-4000. Non-profit groups that can distribute 25 copies or more each quarter automatically can receive copies by writing for a bulk mail card.

You may visit the website at www.pueblo.gsa.gov or dial the bulletin board system on 202-208-7679.

Libraries

The local library can be a good source of help. Many of the publications mentioned in this *Handbook* can be found in public libraries. Some university and other private libraries also allow individuals to use their reference materials. Check your local telephone directory for the location of nearby libraries.

Media Programs

Local newspapers and radio and television stations often have "Action Line" or "Hot Line" services. These programs might be able to help consumers with their problems. Sometimes these programs, because of their influence in the community, are successful in helping to resolve consumer complaints. Some action lines select only the most severe problems or those that occur most frequently. They might not be able to handle every complaint.

To find these services, check with your local newspapers, radio and television stations, or local library.

Occupational and Professional Licensing Boards

Many state agencies license or register members of various professions, including doctors, plumbers, electricians, car repair shops, employment agencies, beauticians, and television and radio repair shops. In some states, local consumer agencies license or register some professions.

In addition to setting licensing standards, these boards also issue rules and regulations; prepare and give examinations; issue, deny or revoke licenses; bring disciplinary actions; and handle consumer complaints.

Many boards have referral services or consumer education materials to help you select a professional. If you contact a licensing agency about a complaint, the agency will contact the professional on your behalf and, if necessary, might conduct an investigation and take disciplinary action against the professional. This action can include probation or license suspension or revocation.

To find the local office of an occupational or professional licensing board, check your local telephone directory under the headings of "Licensing Boards" or "Professional Associations," or look for the name of the individual agency. If you need help locating the right office, contact your state or local consumer office.

Legal Help

Please note that some of the sources of help listed in the *Consumer's Resource Handbook* have a policy of declining complaints from consumers who have sought prior legal counsel.

Small Claims Court

Small claims courts were established to resolve disputes involving claims for small debts and accounts. While the maximum amounts that can be claimed or awarded differ from state to state, court procedures generally are simple, inexpensive, quick and informal. Court fees are minimal, and you often get your filing fee back if you win your case. Generally, you will not need a lawyer. In fact, in some states, lawyers are not permitted. If you live in a state that allows lawyers and the party you are suing brings one, do not be intimidated. The court is informal, and most judges

make allowances for consumers who appear without lawyers.

Remember, even though the court is informal, the ruling must be followed, just like the ruling of any other court.

If the party bringing the suit wins the case, the party who lost often will follow the court's decision without additional legal action. Sometimes, however, losing parties will not obey the decision. In these cases, the winning party can go back to court and ask for the order to be "enforced." Depending on local laws, the court might, for example, order property to be taken by law enforcement officials and sold. The winning party will get the money from the sale, up to the amount owed. Alternatively, if the person who owes the money receives a salary, the court might order the employer to garnish or deduct money from each paycheck and give it to the winner of the lawsuit.

Check your local telephone book under the municipal, county or state government headings for small claims court offices. When you contact the court, ask the court clerk how to use the small claims court. Many state and local consumer agencies have consumer educational material to prepare you for small claims court (see page 71). To better understand the process, sit in on a small claims court session before taking your case to court.

Many small claims courts have created dispute resolution programs to help citizens resolve their disputes. These dispute resolution processes (e.g., mediation and conciliation) often simplify the process. For example, in mediation, both

people involved in the small claims dispute meet, sometimes in the evenings or on weekends, and with the assistance of a neutral, third-party mediator, discuss the situation and create their own agreement.

The rate of success is high for dispute resolution through small claims court. Considering this, when you contact your small claims court, ask first about its mediation or conciliation process.

For additional information about dispute resolution, contact the American Bar Association, Section on Dispute Resolution, 740 15th Street, N.W., Washington, DC 20005, 202-662-1680.

Legal Aid

Legal Aid offices help individuals who cannot afford to hire private lawyers. There are more than 1,000 of these offices around the country staffed by lawyers, paralegals and law students. All offer free legal services to those who qualify. Funding is provided by a variety of sources, including Federal, state and local governments and private donations. Many law schools nationwide conduct clinics in which law students, as part of their training, assist practicing lawyers with these cases.

Legal Aid offices generally offer legal assistance with such problems as landlord-tenant relations, credit, utilities, family issues (e.g., divorce and adoption), foreclosure and home equity fraud, social security, welfare, unemployment and workers' compensation. Each Legal Aid office has its own board of directors which determines the priorities of the

office and the kinds of cases handled. If the Legal Aid office in your area does not handle your type of case, it should be able to refer you to other local, state or national organizations that can provide advice or help. Check the telephone directory to find the address and telephone number of the Legal Aid office near you. If you would like a directory of Legal Aid offices around the country, contact the National Legal Aid and Defender Association, 1625 K Street, N.W., 8th Floor, Washington, DC 20006, 202-452-0620.

Legal Services Corporation

The Legal Services Corporation (LSC) was created by Congress in 1974. There are LSC offices in all 50 states, Puerto Rico, the Virgin Islands, Guam and Micronesia. To find the LSC office nearest you, check the telephone directory, call the Federal Information Center (FIC) toll free on 800-688-9889 or call the LSC Public Affairs Office at 202-336-8800. For a directory of all LSC programs, write or call:

Public Affairs
Legal Services Corporation
750 1st Street, N.E.
Washington, DC 20002
202-336-8800.

Finding a Lawyer

If you need help finding a lawyer, check with the Lawyer Referral Service of your state, city or county bar association listed in local telephone directories.

Complaints about a lawyer should be referred to your state, county or city bar association.

Part I. Buying Smart

Protecting Yourself

Consumers are faced with a marketplace full of decisions. Ask the right questions before and after you buy and avoid consumer fraud and rip-offs.

Before You Buy

- Take advantage of sales but compare prices. Do not assume an item is a bargain just because it is advertised as one.
- Don't rush into a large purchase because the "price is only good today."
- Check to see if the company is licensed or registered at the local or state level.
- Contact your consumer protection office or Better Business Bureau (BBB) for any complaint recorded against the company. Request any consumer information they might have on the type of purchase.
- Be aware of such extra charges as delivery fees, installation charges, service costs, and postage and handling fees. Add them into the total cost.
- Ask about the seller's refund or exchange policy.
- Read the warranty. Note what is covered and what is not. Find out what you must do and what the manufacturer or seller must do if there is a problem.
- Don't sign a contract without reading it. Don't sign a contract if there are any blank spaces in it or if you don't understand it. In some states, it is possible to sign away your home to someone else.
- Before buying a product or service, contact your consumer protection office to see if there are automatic cancellation periods for the purchase you are making. In some states, there are cancellation periods for dating clubs, health clubs, and timeshare and campground memberships. Federal law gives you cancellation rights for certain door-to-door sales.
- Walk out or hang up on high-pressure sales tactics. Don't be forced or pressured into buying something.
- Don't do business over the telephone with companies you do not know.
- Be suspicious of P.O. Box addresses. They might be mail drops. If you have a complaint, you might have trouble locating the company.
- Do not respond to any prize or gift offer that requires you to pay even a small amount of money.
- Use unit pricing in supermarkets to compare what items cost. Unit pricing allows you to compare the price ounce-for-ounce, pound-for-pound, etc. Bigger packages are not always cheaper than smaller ones.
- Use coupons carefully. Do not assume they are the best deal until you've compared them to the prices of competitive products.
- Make sure all documents you sign are in a language you understand.
- Don't rely on a salesperson's promises. Get everything in writing.

Remember:

1. First contact the seller if you have a complaint.
2. If that does not resolve your problem, contact the company headquarters.
3. If your problem is still unresolved, refer to the subject index for the organizations, or local, state and Federal offices that provide help in cases like yours.
4. Taking legal action should be the last resort. However, if you decide to exercise this right, be aware that you might have to act within a certain time period. Check with your lawyer about any statutes that apply to your case.

After You Buy

- Read and follow product and service instructions.
 - Be aware that how you use and take care of a product might affect your warranty rights.
 - Keep all sales receipts, warranties, service contracts and instructions.
 - If you have a problem, contact the company as soon as possible. Trying to fix the product yourself might cancel your right to service under the warranty.
 - Keep a written record of your contact with the company.
 - If you have a problem, check with your consumer protection office to find out about the warranty rights in your state.
 - If you paid for your purchase with a credit card, you have important rights that might help you dispute charges. (See the Consumer Tips section, page 22.)
 - Check your contract for any statement about your cancellation rights. Contact your consumer protection office to see if a cancellation period applies.
 - If you take the product in for repair, be sure the technician understands and writes down the problem you have described.
- “Sign now or the price will increase;”
 - “You have been specially selected . . . ;”
 - “You have won . . . ;”
 - “All we need is your credit card (or bank account) number—for identification only;”
 - “All you pay for is postage, handling, taxes . . . ;”
 - “Make money in your spare time—guaranteed income . . . ;”
 - “We really need you to buy magazines (a water purifier, a vacation package, office products) from us because we can earn 15 extra credits . . . ;”
 - “I just happen to have some leftover paving material from a job down the street . . . ;”
 - “Be your own boss! Never work for anyone else again. Just send in \$50 for your supplies and . . . ;”
 - “A new car! A trip to Hawaii! \$2,500 in cash! Yours, absolutely free! Take a look at our . . . ;”
 - “Your special claim number entitles you to join our sweepstakes . . . ;” or
 - “We just happen to be in your area and have toner for your copy machine at a reduced price.”
- have you send money by wire;
 - automatically withdraw money from your checking account;
 - offer you a free prize but charge handling and shipping fees;
 - ask for your credit card number, checking or savings account number, Social Security number or other personal information; and
 - get payment in advance especially for employment referrals, credit repair, or providing a loan or credit card.
 - Stay away from lotteries, pyramid schemes and multi-level sales schemes. They are all good ways to separate you from your money.

Red Flags of Fraud

Consumer protection offices urge consumers to be aware of the red flags of fraud. Walk away from bogus offers. Toss out the mail or hang up when you hear:

Remember, the smart consumer always looks at the total price before deciding and checks out the company and product before buying.

Stay away from telemarketers who want to:

- send a courier service for your money;

Complaining Effectively

Save all purchase-related paperwork in a file. Include copies of sales receipts, repair orders, warranties, canceled checks, contracts, and any letters to or from the company. When you have a problem:

- Contact the business that sold you the item or performed the service. Calmly and accurately describe the problem and what action you would like taken.
- Keep a record of your efforts to resolve the problem. When you write to the company, describe the problem, what you have done so far to try to resolve it and what solution you want. For example, do you want your money back, the product repaired or the product exchanged?

Allow time for the person you contacted to resolve your problem. Keep notes of the name of the person you spoke with, the date and what was done. Save copies of all letters to and from the company. Don't give up if you are not satisfied.

- Contact the company headquarters if you have not resolved your problem at the local level. Many companies have a toll-free 800 number. Look for it on package labeling, in a directory of 800 telephone numbers (available at your local library), by calling 800-555-1212 (toll free) or by referring to the many corporate consumer contacts, beginning on page 39. Address your letter to the consumer office or the company's president.

Writing a Complaint Letter

Whom To Contact

- Check the product label or warranty for the name and address of the manufacturer.
- If you need additional help locating company information, check the reference section of your local library for the following books: *Standard & Poor's Register of Corporations, Directors and Executives*; *Standard Directory of Advertisers*; *Trade Names Dictionary*; and *Dun & Bradstreet Directory*.

- If you have the brand but cannot find the name of the manufacturer, the *Thomas Register of American Manufacturers* lists the manufacturers of thousands of products. Check your local library.
- Each state has an agency (possibly the corporation commission or secretary of state's office) that provides addresses for companies incorporated in that state.
- Remember, do business with a company you will be able to find later. It might be difficult to find companies in other states or those listing post office boxes as addresses. Even if you have an address, it might be only a mail drop, so be sure you know where the company you are doing business with is located physically.

What To Say

- Include in the letter your name, address, home or work telephone numbers, and account number, if any.
- Make your letter brief and to the point. Include the date and place you made the purchase, who performed the service, such information about the product as the serial or model number or warranty terms, what went wrong, with whom you have tried to resolve the problem, and what you want done to correct the problem.
- Use the sample consumer complaint letter on the following page as a guide.

- Include copies, not originals, of all documents.
- Be reasonable, not angry or threatening, in your letter. Type your letter, if possible, or make sure your handwriting is neat and easy to read.

What To Do Next

- Keep a copy of your complaint letter as well as all letters to and from the company.
- You might want to send your complaint letter with a return receipt requested. This will cost more, but it will give you proof that the letter was received and will tell you who signed it.
- If you feel you have given the company enough time to resolve the problem, send a copy of your letter to, or file a consumer complaint with, your local or state consumer protection agency; such specific state agencies as banking, insurance and utilities; or local Better Business Bureau. Their addresses can be found starting on pages 71, 89 and 34, respectively. Include information about what you have done so far to try to resolve your complaint. If you think a law has been broken, contact your local or state consumer protection agency right away.

Sample Complaint Letter

	<p>(Your Address) (Your City, State, ZIP Code) (Date)</p>	
	<p>(Name of Contact Person, if available) (Title, if available) (Company Name) (Consumer Complaint Division, if you have no contact person) (Street Address) (City, State, ZIP Code)</p>	
	<p>Dear (Contact Person):</p>	
	<p>Re: (account number, if applicable)</p>	
<ul style="list-style-type: none">• describe purchase• name of product, serial numbers• include date and place of purchase	<p>On (date), I (bought, leased, rented, or had repaired) a (name of the product with serial or model number or service performed) at (location, date and other important details of the transaction).</p>	
	<p>Unfortunately, your product (or service) has not performed well (or the service was inadequate) because (state the problem). I am disappointed because (explain the problem: for example, the product does not work properly, the service was not performed correctly, I was billed the wrong amount, something was not disclosed clearly or was misrepresented, etc.).</p>	<ul style="list-style-type: none">• state problem• give history
<ul style="list-style-type: none">• ask for specific action• enclose copies of documents	<p>To resolve the problem, I would appreciate your (state the specific action you want—money back, charge card credit, repair, exchange, etc.) Enclosed are copies (do not send originals) of my records (include receipts, guarantees, warranties, canceled checks, contracts, model and serial numbers, and any other documents).</p>	
	<p>I look forward to your reply and a resolution to my problem, and will wait until (set a time limit) before seeking help from a consumer protection agency or the Better Business Bureau. Please contact me at the above address or by phone at (home and/or office numbers with area codes).</p>	<ul style="list-style-type: none">• allow time for action• state how you can be reached
	<p>Sincerely,</p> <p>(your name)</p>	
	<p>Enclosure(s) cc: (reference to whom you are sending a copy of this letter, if anyone)</p>	

Keep copies of your letter and all related documents

Consumer Tips

A number of suggestions are included here to help you become a smarter consumer. They cover a broad range of topics. If you are repairing, leasing, or buying a car; buying a home; investing in commodities or securities; or purchasing any number of products or services in the marketplace, the tips offer ways to make the best decisions and to be alert to fraud or scams. Covered also are the various marketing schemes, such as telemarketing, mail order, and door-to-door sales.

Check with your local consumer protection office and Better Business Bureau for other consumer information on a variety of topics. Their addresses and phone numbers are listed on pages 71 and 34, respectively.

Car Repair, Purchase, Renting and Other Concerns

Car Repair

- Choose a reliable repair shop recommended to you by family or friends or an independent consumer rating organization. Check out the repair shop's complaint record with your state or local consumer protection office or Better Business Bureau.
- When you take the car to the shop, describe the symptoms. Don't diagnose the problem.
- Get more than one estimate. Get them in writing.

- Make it clear that work cannot begin until you have authorized it. Don't authorize work without a written estimate or, if the problem can't be diagnosed on the spot, insist that the shop contact you for your authorization once the trouble has been found.
 - Don't sign a blank repair order. Make sure the repair order reflects what you want done before you sign it.
 - Is the repair covered under warranty? Follow the warranty instructions.
 - Ask the shop to keep the old parts for you.
 - Get all warranties in writing.
 - Some car manufacturers might be willing to repair certain problems without charge even though the warranty has expired. Contact the manufacturer's zone representative or the dealer's service department for assistance.
 - Keep copies of all paperwork.
- Some states, cities and counties have special laws that deal with auto repairs. For information on the laws in your state, contact your state or local consumer protection office.
- Shop during daylight hours so that you can thoroughly inspect the car and take a test drive. Don't forget to check all the lights, air conditioner, heater and other parts of the electrical system.
 - Do not agree to buy a car unless you've had it inspected by an independent mechanic of your choice.
 - Ask questions about the previous ownership and mechanical history of the car. Contact the former owner to find out if the car was in an accident or had any other problems.
 - Check with your local department of motor vehicles to find out what you need in order to register a car.
 - Ask the previous owner or the manufacturer for a copy of the original manufacturer's warranty. It still might be in effect and transferable to you.
 - Don't sign anything that you don't understand. Read all documents carefully. Negotiate the changes you want and get them written into the contract.
 - For information on recalls and safety issues, see page 10 under new car sales.

Buying a Used Car

- Check newspaper ads and used car guides at a local library so you know what's a fair price for the car you want. Remember, prices are negotiable. You also can look up repair recalls for car models you might be considering.
- Call the Auto Safety Hotline at (800) 424-9393 to get recall information on a car. Authorized dealers of that make of vehicle must do recall work for free no matter how old the car is.

Buying from a Private Individual

Generally, private sellers have less responsibility than dealers for defects or other problems.

- Check with your state's motor vehicle department on what you will need to register a vehicle.
- Make sure the seller isn't a dealer posing as an individual. That might mean the dealer is trying to evade the law and might be an indicator of

problems with the car. Look at the title and registration. Make sure the seller is the registered owner of the vehicle.

- Ask the seller lots of detailed questions about the car.
- Have the car inspected by your mechanic before you agree to buy it.

Buying from a Dealer

Check the complaint records of car dealers with your state or local consumer protection agency or Better Business Bureau.

- Read the “Buyers Guide” sticker required to be displayed in the window of the car. It gives information on warranties, if any are offered, and provides other information.
- In most states, used cars may be sold “as is.” If the “as is” box is checked off on the “Buyers Guide,” you have no warranty.
- If the “warranty” box is checked off on the “Buyers Guide,” ask for a copy of the warranty and review it before you agree to buy the car.
- Have the car inspected by your mechanic before you agree to buy it.
- Some states have laws giving extra protection to used car buyers. Contact your state or local consumer protection office to find out what rights you might have.

To order a free publication on buying a used car, contact the Federal Trade Commission, Public Reference Section, 6th and Pennsylvania Avenue, N.W., Room 130, Washington, DC 20580, 202-326-2222.

Buying a New Car

- Evaluate your needs and financial situation. Read consumer magazines and test drive several models before you make a final choice.
- Find out the dealer’s invoice price for the car and options. This is what the manufacturer charged the dealer for the car. You can order this information for a small fee from consumer publications you can find at your local library.
- Find out if the manufacturer is offering rebates that will lower the cost.
- Get price quotes from several dealers. Find out if the amounts quoted are the prices before or after the rebates are deducted.
- Keep your trade-in negotiations separate from the main deal.
- Compare financing from different sources, for example, banks, credit unions and other dealers, before you sign the contract.
- Read and understand every document you are asked to sign. Do not sign anything until you have made a final decision to buy.
- Think twice about adding expensive extras you probably don’t need to your purchase, for example, credit insurance, service contracts or rustproofing.
- Inspect and test drive the vehicle you plan to buy, but do not take possession of the car until the whole deal, including financing, is finalized.

- Don’t buy on impulse or because the salesperson is pressuring you to make a decision.
- The National Highway Traffic Safety Administration’s Auto Safety Hotline at 800-424-9393 (toll free) distributes recall and safety information on used and new cars, trucks, motorcycles, motor homes, child seats and other motor vehicle equipment; vehicle crash test information; tire quality grading reports; child seat registration forms; and other safety literature. You should report all vehicle and child seat defect information to the Hotline (see page 29).
- The Center for Auto Safety (see page 31) monitors auto defects. To see if there is a pattern of repeated complaints on a certain vehicle model, write the Center for Auto Safety, 2001 S Street, N.W., Suite 410, Washington, D.C. 20009 and include the vehicle make, model and year and a self-addressed stamped envelope.

Credit and Sublease Brokers

A new and rapidly growing area of consumer fraud involves con artists who prey on people who have bad credit and who are having problems getting loans to buy cars. There are two main schemes:

- The “credit broker” promises to get a loan for you in exchange for a high fee. In many cases, the “broker” takes the fee and disappears, or simply refers you to high-interest loan companies.

- The “sublease” broker charges a fee to arrange for you to “sublease” or “take over” someone else’s car lease or loan. Such deals usually violate the original loan or lease agreement. Your car can be repossessed even if you’ve made all of your payments. You also might have trouble insuring your car.

To protect yourself:

- check with your state or local consumer protection agency to find out if the broker is required to be licensed;
- do not do business with a company that does not appear to be complying with state law;
- do not pay for services in advance.

To order a free publication on how to buy a new or used car, contact the Federal Trade Commission, Public Reference Section, 6th and Pennsylvania Avenue, N.W., Room 130, Washington, DC 20580, 202-326-2222.

Car Leasing

- Shop around for the best leasing deal. Read lease promotions carefully. The attractive low monthly payment might be available only if you make a large down payment (capitalized cost reduction) or a balloon payment at the end of the lease.
- Beware of open-end leases. They require the consumer to pay the difference if the vehicle is worth less at the end of the lease than was estimated originally.

- The Consumer Leasing Act requires leasing companies to give you important information in writing before you sign a contract. Read the documents given to you by the leasing company and make sure you understand them before you sign anything. In particular, look for:

—up-front costs, for example, security deposits, down payments, advanced payments and taxes;

—the terms of the payment plan;

—termination costs, for example, excess mileage penalties, excessive wear and tear charges, and disposition charges; and

—penalties for early termination or default.

When you have paid off a car loan, you own the car. When you have paid off the lease, you own nothing.

To order a free publication on car leasing, contact the Federal Trade Commission, Public Reference Section, 6th and Pennsylvania Avenue, N.W., Room 130, Washington, DC 20580, 202-326-2222.

Lemon Laws

Almost every state has a new car “lemon law” that allows the owner a refund or replacement when a new vehicle has a substantial problem that is not fixed within a reasonable number of attempts. Many specify a refund or replacement when a substantial problem is not fixed in four repair attempts or the car has been out of service for 30 days within the first 12,000 miles/12 months. If you believe that your car is a lemon:

- contact your state or local consumer protection office for information on the laws in your state and the steps you must take to resolve the situation;
- give the dealer a list of symptoms every time you bring it in for repairs; keep copies for your records;
- get copies of the repair orders showing the reported problems, the repairs performed and the dates that the car was in the shop; and
- contact the manufacturer, as well as the dealer, to report the problem. Some state laws require that you do so to give the manufacturer a chance to fix the problem. Your owner’s manual will list an address for the manufacturer.

If the problem isn’t resolved, you might have the option of participating in an arbitration program offered by the manufacturer or your state. Contact your state or local consumer protection office for information.

Lemon Law Summary is available upon request by sending a self-addressed, stamped (55 cents) envelope to the Center for Auto Safety, 2001 S Street, N.W., Suite 410, Washington, DC 20009.

Vehicle Repossessions

When you borrow money to buy a car, you should know that:

- The lender can repossess if you miss a payment or for any default (a violation of the contract).
- The lender can repossess without advance notice.

- After repossession, the lender might be able to accelerate, meaning the lender can require the borrower to pay off the entire balance of the loan in order for the borrower to get the vehicle back.
- The lender can sell the vehicle at auction.
- The lender might be able to sue the borrower for the deficiency if it sells the car for less than the borrower owes. This is true even in voluntary repossessions.
- The lender cannot commit a “breach of the peace,” for example, breaking into a home or physically threatening someone, in the course of a repossession.

If you know you’re going to be late with a payment, talk to the lender to try to work things out. If the lender agrees to a delay or to modify the contract, be sure you get the agreement in writing.

Some states have laws which give consumers additional rights. Contact your state or local consumer protection office for more information.

To order a free publication on vehicle repossessions, contact the Federal Trade Commission, Public Reference Section, 6th and Pennsylvania Avenue, N.W., Room 130, Washington, DC 20580, 202-326-2222.

Renting a Car

Federal law does not cover short-term car and truck rentals. However, there are state laws that do. You should contact your state or local consumer protection office for more information on laws in your area.

- Shop around for the best rates.
- Compare all fees, in addition to the daily/weekly rate, before renting.
- Most car rental contracts make the consumer liable for all damage to the vehicle, no matter who caused it. Before buying a rental company’s collision or loss damage waiver, check with your own car insurance company and your credit card company to see if they cover car rentals and to what extent. It pays to do your homework because these policies can add \$3 to \$15 per day to your rental charges! Rental companies also might sell loss of use and liability insurance. Check with your insurance agent in advance, so you do not duplicate coverage you already have.
- If you pay by credit card, some rental companies will place a hold or freeze on your account during the rental period. Others might start to charge your account before the rental period is over. Find out the company’s policy in advance.
- Carefully inspect the vehicle and its tires before renting and write down all the dents and scratches you see.
- Check refueling policies. You can refill at a local gas station, you can let the car rental company refuel the car at its price, which is usually higher, or you can pay in advance for a refill which will cost you needlessly if there is any unused gas upon returning the vehicle.
- Contact your state or local consumer protection agency for information on state law or to report problems with your car rental.
- To order a free publication on car rental, contact the Federal Trade Commission, Public Reference Section, 6th and Pennsylvania Avenue, N.W., Room 130, Washington, DC 20580, 202-326-2222.

Mail Orders

Federal mail order rules require companies that take consumers’ orders by mail to:

- Ship the merchandise within 30 days of receiving a completed order or within a different timeframe if it is stated in their ads;
- Notify consumers if shipment can’t be made on time and give them the choice of waiting longer or receiving refunds; and
- Cancel their orders and return their money (or give them credits on their charge accounts) if the revised shipping date can’t be met, unless the consumers agree to another delay.

There also might be laws regarding mail order in your state. Contact your state or local consumer protection agency.

- Keep a record of the name, address and phone number of the company, goods you ordered, date of your order, amount you paid and method of payment.
- Keep a record of any delivery period that was promised.

- If you are told that the shipment will be delayed, write the date of that notice in your records and the new shipping date if you've agreed to wait longer.
- When you cancel an order that wasn't shipped on time, you have the right to get a refund within seven days or within one billing cycle for charged sales.
- When you use your credit card for mail order purchases and you don't receive the goods or services, or they were defective or misrepresented, use the credit card protection rights described in the section on Credit Cards, page 20.
- To limit some of the mail you do not want, you can sign up with the free Mail Preference Service operated by the Direct Marketing Association, a private trade group. It will instruct its mail marketing members to take you off their lists. To join, write to the Mail Preference Service, P.O. Box 9008, Farmingdale, New York 11735-9008.
- Deal only with companies or charities whose reputation and integrity are known.
- Never give your credit card number or personal, financial or employment information unless you know with whom you are dealing.
- Never send money for any "free" merchandise or services.
- Be careful of making impulse purchases.
- Keep a record of the order, notes of the conversation and copies of the advertisement, canceled check, receipt, letters and envelopes.
- Take the time to shop locally to compare mail order products, services and prices with those in local stores.
- Check out the company with the U.S. Postal Inspection Service, your state or local consumer protection agency, or the Better Business Bureau. Mail fraud is a Federal crime.
- Using your credit card or a money order might give you some recourse if you have a problem, despite your carefulness.

To report violations of the Federal mail order rule, contact the Federal Trade Commission. For information on your state laws, contact your state or local consumer protection agency. To report a problem with mail order, contact the U.S. Postal Inspection Service or the Postal Crime Hotline at 800-654-8896.

Mail Fraud

- Read the offer carefully. Get the advice of another person whose opinion you trust.

Be suspicious of "free gifts" that require a "tax payment" or "registration fee;" sweepstakes requiring an entry fee or purchase; employment or work-at-home opportunities requiring a fee; offers requiring your credit card number or bank account number; loans that require you to pay a fee in advance; mailings that look like they are from official government agencies when they are not; and prize notices requiring you to call a 900 number.

Telemarketing

While many legitimate businesses use the telephone to make their sales, it's easy for fraudulent companies to abuse the phone. Beware of the con artists who promise anything and deliver nothing, or at least not what customers thought they were getting.

Tips for Smart Telephone Shopping

- Always keep a record of the name, address and phone number of the company, goods you ordered, date of your purchase, amount you paid (including shipping and handling) and method of payment.
- Keep a record of any delivery period that was promised.
- If you are told that the shipment will be delayed, write the date of that notice in your records and the new shipping date, if you've agreed to wait longer.
- Don't give your credit card number, checking account number or other personal information to a telemarketer unless you are familiar with the company or organization, and the information is necessary in order to make your purchase.

Telephone Order Rights

Some states have telemarketing laws that require written contracts, automatic cancellation periods or registration of telemarketing companies. Contact your state or local consumer protection agency.

Federal telephone order rules require companies that take consumers' orders by phone, computer or fax to:

- Ship the merchandise within 30 days of receiving a completed order or within a different timeframe if it is stated in their ads;
- Notify consumers if shipment can't be made on time and give them the choice of waiting longer or receiving refunds; and
- Cancel their orders and return their money (or give them credits on their charge accounts) if the revised shipping date can't be met, unless the consumers agree to another delay.

Use Caution and Common Sense

- Don't be pressured into acting immediately or without the full information you need.
- Shop around and compare costs and services.
- Report all fraudulent activity to your consumer agency. Check out the company with your consumer protection agency or the Better Business Bureau.
- If the solicitation came by mail, call the Postal Crime Hotline at 800-654-8896 (toll free) for more advice on not becoming a victim.
- Call the National Fraud Information Center, administered by the National Consumers League, at 800-876-7060 (toll free) for information about telemarketing fraud.

Blocking Telemarketing Calls

You have the right under Federal law:

- to tell a company not to call you by phone or not to contact you in writing; the company must keep a list of these consumers and not contact them; keep a record for your file;
- not to get calls before 8 a.m. or after 9 p.m.;
- not to receive unsolicited ads by fax; and
- to be disconnected from a pre-recorded machine-delivered message within five seconds of hanging up.

Some states do not allow telemarketers to call people who do not want to receive calls. Contact your state or local consumer protection agency to check your state's rights.

To reduce telephone calls you do not want, you can sign up with the free Telephone Preference Service operated by the Direct Marketing Association, a private trade group. To join, write to the Telephone Preference Service, P.O. Box 9014, Farmingdale, NY 11735-9014.

To report violations of the telephone order rule, contact the Federal Trade Commission. If you made the telephone transaction in response to a postcard or other mailing, contact the U.S. Postal Inspection Service or the Postal Crime Hotline at 800-654-8896 (toll free). For information on the laws in your state, contact your state or local consumer protection agency.

Calls That Cost: 900 Numbers and Other Pay-Per-Call Services

Unlike 800/888 numbers which are free, you pay a fee when you call a 900-type number. The company or organization you're calling sets the price, not the telephone company. Most states do not regulate the cost of these calls. Charges can vary from less than a dollar to more than \$50. Federal law requires that:

- consumers be told the cost of calling the number and given a description of the product and service. This must appear, in advertisements and for calls costing more than \$2 dollars, in the introductory message or preamble at the beginning of the call;
- the cost of calling must be disclosed by flat rate, by the minute with any minimum or maximum charge that can be determined, or by range of rates for calls with different options; all other fees charged for services and the cost of any other service to which a caller might be transferred must be disclosed;
- consumers be given time to hang up after the introductory message without being charged; there must be a signal or tone to let them know when the preamble ends;
- no charges can be made for calling 800/888 numbers unless the consumer agrees in advance to be charged (see the next topic on "What You Need To Know About 800/888 Numbers");

- any pay-per-call services offering sweepstakes, prizes or awards must disclose the odds of winning or the factors for determining the odds;
- ads directed to children under age 12 are not allowed unless they are for legitimate educational services;
- ads directed primarily to people under the age of 18 must state that parents' consent is needed to call the number; and
- ads for information about Federal programs offered by private companies must state clearly that they are not endorsed, approved or authorized by government agencies.

Protect yourself from fraud by avoiding:

- ads that don't describe clearly the goods or services or the cost of the calls;
- offers of "free" gifts or prizes just for calling;
- promises of jobs, loans, credit cards for people with poor credit, "credit repair" or other services aimed at consumers who are in financial hardship;
- contests to win money in which little or no skill is required;
- services targeted to children under 12 which don't appear to serve any legitimate educational purpose; and
- offers of cheap travel or any other deals that seem to be "too good to be true."

Hang up if you're being switched from an 800/888 number to a 900 number without your prior consent.

What You Need To Know About 800/888 Numbers

Generally, you cannot be charged for 800/888 numbers. New rules prohibit charging callers to toll-free numbers for conveyance of information without explicit authorization through either a written agreement or payment by direct remittance; prepaid account; or debit, credit or calling card. The rules specify particular information that must be:

- included in presubscription agreements,
- disclosed orally to callers who wish to pay for an 800/888 information service by direct remittance; prepaid account; or debit, credit or calling card, and
- displayed on a telephone bill when charges are assessed for informational services provided for a toll-free number.

Further, all presubscription arrangements must be done in writing or through direct remittance; prepaid account; or debit, credit, charge or calling debt card. Charges for resubscribed information services must be displayed separately from charges for local and long distance service.

Your Rights and Recourse

- If you question 900-type number charges which appear on your phone bill, you can dispute the bill. Your local and long distance telephone service cannot be disconnected for disputed pay-per-call charges.
- In most cases, the charge for a pay-per-call service is collected by the local telephone company on behalf of the service provider. Follow the instructions

on your bill immediately to dispute the charges. Keep a record of whom you talked to and the date, as well as copies of any letters you send. Pay the undisputed portion of your phone bill.

- Even if the telephone company removes the charges, the debt might be turned over to a collection agency by the service provider. Send the collection agency a letter explaining why you dispute the debt. (See the section on Credit Access and Use, page 19.)
- To avoid problems with 900-type numbers, you can request "blocking" from your local phone company. Blocking prevents 900 numbers from being dialed from your phone.
- If you suspect a violation of pay-per-call rules, contact your state or local consumer protection agency and the Federal Trade Commission. If the ad for the number came by mail, write to the U.S. Postal Inspection Service or call the Postal Crime Hotline at 800-654-8896 (toll free). If you are not satisfied with the way the phone company handled your complaint, contact the Federal Communications Commission. (See page 107 for information on how to contact Federal agencies.)

Door-to-Door Sales

- Ask to see the salesperson's personal identification and license or registration if that is required where you live. Make note of his/her name, the name and address of the company, and whether the salesperson carries proper identification.

- Ask for sales literature and then call local stores that might sell the same merchandise to compare prices. Some door-to-door products might be overpriced.
- Don't be pressured into buying something. Watch for the warning signs: an offer of a "free gift" if you buy a product, an offer that is only good for that day, or you're told that a neighbor just made a purchase.
- If you feel threatened or intimidated, ask the person to leave. Don't leave the person unattended in any room of your home. If you are suspicious, report the incident to the police immediately.
- To cancel a contract, sign and date one copy of the cancellation form. Mail it within the 3-day limit, making sure it's post-marked before midnight of the third business day. Sending it by certified mail will show proof that it was mailed.
- If you were not given the cancellation form at the time of sale, your right to cancel continues until 3 days after the seller finally gives it to you. You can write your own letter cancelling the sale and send it return receipt requested.
- Once you cancel, you have a right to a refund within 10 days. The seller must let you know when the product will be picked up and must return any paperwork and trade-ins within that time.
- Within 20 days, the seller must pick up the item or reimburse you for any shipping expenses if you send it back yourself. If you do not return it, you still are responsible under the contract.
- Extend your rights! If you paid by credit card, canceled the contract within 3 days, have not yet paid the credit card bill and still have a problem getting a refund, dispute the charges with your credit card company under the Fair Credit Billing Act. (See the section on Credit Access and Use, page 19.)
- Get detailed estimates from reputable contractors. Contact your local or state consumer agency and Better Business Bureau for information on contractors' licensing or registration requirements, complaint records and for brochures containing advice.
- Contact your local building inspection department to check for permit and inspection requirements.
- Call your insurance company to find out if you are covered for any injury or damage that might occur and be sure your contractor has the required insurance for his/her workers and subcontractors.

Cancellation Rights

- The "Door-to-Door Sales Rule" (or "Cooling Off Rule") gives you the right to cancel certain purchases costing \$25 or more. Notify the company in writing by midnight of the third business day following the sale. Saturdays are considered business days, but Sundays and holidays are not.
- The seller must tell you about your cancellation rights and give you two dated copies of a cancellation form showing the seller's name and address and explaining your right to cancel.
- These Federal cancellation rights apply to purchases made in locations outside the seller's normal place of business; for example, at a house party, a temporarily rented room or in your home.
- States might have additional cancellation laws that protect consumers. Check with your state or local consumer protection agency for your rights.
- Insist on a complete written contract. Know exactly what work will be done, the quality of materials that will be used, timetables, the names of any subcontractors, the total price of the job and the schedule of payments.
- You have cancellation rights (usually 3 business days) in many home improvement contracts. Before you sign a contract, check with your local consumer agency to find out if you have cancellation rights and how they apply.
- Understand your payment options. You can get your own loan or the contractor might arrange financing. Be sure you have a reasonable payment schedule at a fair interest rate.
- Some state laws specify payment schedules, for example, only allowing a certain percentage of the total cost to be made as a down payment. Contact your state or local consumer agency to find out what the law is in your area.

Home Improvement

- Plan ahead. Know what you want or need to have done before contacting a contractor.

- Lien rights, which might give the contractor or subcontractors the ability to “attach” your home for unpaid bills, vary from state to state. Ask your local consumer agency to explain the situation where you live.
- You need to be especially cautious if the contractor:
 - comes door-to-door or seeks you out;
 - just happens to have material left over from a recent job;
 - tells you your job will be a “demonstration;”
 - offers you discounts for finding him/her other customers;
 - quotes a price that’s too cheap;
 - pressures you for an immediate decision;
 - has workers or suppliers who tell you they have trouble getting paid;
 - can be reached only by leaving messages with an answering service; or
 - drives an unmarked van or has out-of-state plates on his/her vehicle.

Home Financing

- Check the real estate or business sections in the newspaper for information on current interest rates. Call several lenders for rates and terms based on the type of mortgage you want.
- When buying a newly constructed home, compare the interest rate and terms offered through the builder’s sales office with those offered by other lending institutions.

- When interest rates go down, you might save money by refinancing, but you probably should not refinance unless the new interest rate will be at least two percentage points below the rate you’re paying currently.
- For an adjustable rate mortgage, or “ARM,” find out the “cap” or the maximum interest rate that can be charged during the life of the loan. Ask how often the rate might change and what determines the rate change.
- Get a complete list of “closing” or “settlement” costs and find out which costs will be refunded if your loan is not approved.
- Be wary of financing that is based on “negative amortization.” While the payments might be lower than in other types of loan agreements, they’re not enough to cover the monthly interest charges. The portion of interest that is left unpaid is added to the principal, which means that each month, the borrower pays interest on a higher amount than before. With negative amortization, the debt actually keeps increasing rather than decreasing. You could end up owing a lot of money at the end of the loan or losing your home.

Home Equity Credit Lines

- Although a home equity credit line might allow you to take tax deductions you could not take with other types of loans, your home will be at risk if you cannot make the monthly payments.
- Some questions to ask when comparing home equity loan offers:

- How large a credit line can be extended?
- How long is the term of the loan?
- What is the minimum monthly payment? Is there a maximum?
- What is the annual percentage rate?
- If the interest rate “floats,” or is adjustable, how much can it increase at one time? Is there a maximum rate?
- Are there any annual fees or transaction fees?

Reverse Mortgages

- If you own your home, a reverse mortgage loan will pay you in monthly advances or through a line of credit. It lets you convert your equity into cash which you can use for any purpose, while retaining your ownership in your home. Before you sign, be sure you understand all the terms and conditions.
- Interest rates on this type of loan might be higher and are charged on a compound basis. Application fees, points and closing costs also might be higher than other types of loans. Interest rates are not deductible on your income taxes until you repay the loan in full. There will be less equity for you and your heirs in the future.

For more information or to file a complaint, contact:

Department of Housing and Urban Development
Office of Single Family Housing
451 Seventh Street, S.W.,
Room 9272
Washington, DC 20410
202-708-2700

State and Local Consumer Protection Offices (See list beginning on page 71.)

Selecting a Financial Institution

Select a financial institution carefully by comparing the terms and prices of all of the services you need.

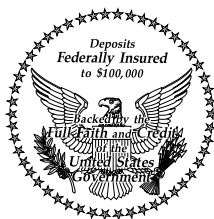
- Shop around. Do not do business with the first institution that seems willing to do business with you.
- Check the front door to see if the institution displays a government logo indicating that it is insured federally. Generally, if the institution is insured federally, an individual is covered for up to \$100,000 in deposits if the institution fails.

If a financial institution is federally insured, you will see one of the following official signs posted at the entrance of the institution

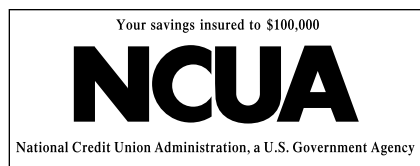
For banks:



For savings associations:



For credit unions:



Truth in Savings Act

- Requires financial institutions to disclose the "Annual Percentage Yield," or "APY," on savings accounts. The APY tells you how much money you would earn if you kept \$100 in the account for one year.
- Requires that the institution credit your entire deposit instead of crediting a portion of your deposit or using a "low balance per month" method. This increases your earnings.
- Requires that institutions have available a list of their fees for bounced checks, stop payment orders, certified checks, wire transfers or similar items. Ask for the list.
- Prohibits institutions from advertising "free" checking if there are hidden charges or requirements, for example, having to maintain a minimum balance to qualify.

Checking Accounts

- Before you open a checking account, find out what the fees will be for writing checks, for bounced checks, for the checks themselves and for other services. Ask if the institution will send you the canceled checks with your monthly statement. If not, find out the cost for copies of canceled checks. You might need them for proof of payment in some situations.
- Find out if the financial institution will waive checking fees if you have direct deposit of your paycheck. Some banking institutions will lower or even drop fees if your pay is deposited directly by your employer. Additional advantages of direct deposit are security, convenience and quicker access to your money.

Loans

- When shopping for a mortgage, check the real estate section of your local newspaper to find out the current interest rates. Check the rates for 30-year mortgages, 15-year mortgages and adjustable rate mortgages. Ask the lending institution to explain the differences.
- Most home improvement loans are secured by a mortgage on your home. It's better not to finance expensive credit life insurance or to consolidate other debts into this loan. Your home will be at risk for every extra dollar you borrow. If you don't make your payments, you could lose your home.
- For car loans, compare the rates offered by the car dealer with those of local lending institutions. Don't add expensive extras like credit life insurance to the total amount of the loan. You do not have to purchase credit insurance in order to get a loan.

Information and Assistance

Agencies responsible for carrying out consumer protection laws that cover financial services also provide information and assistance to consumers. For more information or to file a complaint, contact:

Federal Deposit Insurance Corporation (FDIC)
Office of Consumer Affairs
550 17th Street, N.W.
Washington, DC 20429
202-898-3536
Toll free: 800-934-3342
(Regulates state chartered banks that are not members of the Federal Reserve System.)

Board of Governors of the
Federal Reserve System
Division of Consumer and
Community Affairs
20th and C Streets, N.W.
Mail Stop 800
Washington, DC 20551
202-452-3693
TDD: 202-452-3544
(Regulates state chartered
banks and trust companies that
are members of the Federal
Reserve System.)

Comptroller of the Currency
Customer Assistance Unit
250 E Street, S.W.
Mail Stop 3-9
Washington, DC 20219
800-613-6743
(Regulates banks with national
in the name or N.A. after the
name.)

National Credit Union
Administration
Office of Public and
Congressional Affairs
1775 Duke Street
Alexandria, VA 22314-3428
703-518-6300
(Regulates federally chartered
credit unions.)

Office of Thrift Supervision
Division of Consumer and Civil
Rights
Office of Community
Investment
1700 G Street, N.W.
Washington, DC 20552
202-906-5900
Toll free: 800-842-6929
(Regulates Federal savings
and loans and Federal savings
banks.)

State Banking Authorities
(See Consumer Assistance
Directory, page 89.)

State and Local Consumer
Protection Offices
(See Consumer Assistance
Directory, page 71.)

Using a Debit Card

Many consumers are familiar with automated teller machine (ATM) cards issued by banks and credit unions. These cards can be used to access cash, make deposits, transfer funds and verify balances in checking and saving accounts. Now, consumers are learning that certain types of ATM cards, commonly called debit cards, can be used to purchase goods and services as well.

- Debit card purchases are deducted directly from your personal checking account, unlike credit cards which allow you to draw funds from a line of credit for which you are billed monthly.
- Purchases you make with a debit card are handled in one of two ways: either you punch in your personal identification number (PIN), just as you would with an ATM, or you sign for the purchase, similar to a credit card transaction.
- Consumer protection measures limit cardholder liability. You're never responsible for charges on cards you haven't accepted. If you report a lost or stolen debit card within 2 days of discovering its loss or theft, Federal regulations limit your liability to \$50. State laws may provide additional protections. If you report the loss after more than 2 days after discovering the loss or theft of your card, liability is limited to \$50 plus any amount resulting from your failure to notify the issuer sooner, up to \$500. If you fail to report your unauthorized charges within 60 days of having been sent your monthly statement, your

liability for unauthorized charges is \$50 plus any amount that resulted from your delay in reporting.

- If your card is lost or stolen, you must work directly with the financial institution that issued the card. It is very important that you, the cardholder, report a lost or stolen card or suspected unauthorized use of a card immediately to your financial institution.
- Returns or disputes for goods and services you purchased with a debit card are treated the same as cash or checks. You should resolve the matter directly with the merchant, whose policies on refunds and returns usually govern these transactions.
- As with credit cards, some financial institutions charge fees for the use of a debit card. These fees are found in the disclosure statement that financial institutions send their customers.

Credit Access and Use

Equal Rights

The Equal Credit Opportunity Act guarantees you equal rights in dealing with anyone who regularly offers credit, including banks, finance companies, stores, credit card companies and credit unions. A creditor is someone to whom you owe money. When you apply for credit, a creditor may not:

- ask about or consider your sex, race, national origin or religion;
- ask about your marital status or your spouse, unless you are applying for a joint account or

relying on your spouse's income or you live in a community property state (Arizona, California, Idaho, Louisiana, Nevada, New Mexico, Texas and Washington);

- ask about your plans to have or raise children;
- refuse to consider reliable public assistance income or regularly received alimony or child support; and
- discount or refuse to consider income because of your sex or marital status or because it is from part-time work or retirement benefits.

You have the right to:

- have credit in your birth name, your first name and your spouse's last name, or your first name and a combined last name;
- have a co-signer other than your spouse if one is necessary;
- keep your own accounts after you change your name or marital status or retire, unless the creditor has evidence you are unable or unwilling to pay;
- know why a credit application is rejected; the creditor must give you the specific reasons or tell you of your right to find out the reasons if you ask within 60 days; and
- have accounts shared with your spouse reported in both your names.

You also have a right to know how much it will cost to borrow money. The Truth in Lending Act requires a lender to inform you of the cost to borrow so that you have the opportunity to compare the cost and terms of credit offered by various lenders.

Credit Cards

Choosing a Credit Card

Credit card issuers offer a wide variety of terms. Consider and compare all the terms, including the following, before you select a card:

- **Annual Percentage Rate (APR)**—the cost of credit as a yearly rate.
- **Free or Grace Period**—allows you to avoid any finance charge by paying your balance in full before the due date. If there is no free period, you will pay a finance charge from the date of the transaction, even if you pay your entire balance when you receive your bill.
- **Fees and Charges**—most issuers charge an annual fee; some also might charge a fee for a cash advance or if you fail to make a payment on time or go over your credit limit.

Shop around for the terms that are best for you. Before giving money to a company that promises to help you get a credit card:

- Find out who the card issuer is and get the credit card terms in writing, including all the fees and whether a deposit is required;
- Try to apply to a card issuer directly, rather than giving money to a third party; if you don't get the credit card, you might not be able to get your money back;
- Beware of "credit cards" that only allow you to buy from certain overpriced, restricted goods catalogs; and

- Beware of companies that promise "instant credit" or guarantee you a credit card "even if you have bad credit or no credit history;" no one can guarantee you credit in advance; and

- Be cautious of offers for "secured" credit cards. These cards usually require you to set aside money in a separate bank account in an amount equal to the line of credit on the card to guarantee that you will pay the credit card debt. Some of these offers advertise that secured cards can be used to "repair" a bad credit record, but you should know that no matter how well you handle this account, your payment history on your past debts still will be taken into consideration when you apply to other lenders for credit or for employment or housing.

For a small fee, you can purchase a list of the most competitive interest rates and credit cards in the country and find out how to qualify for the lowest rate possible by contacting:

Bankcard Holders of America
524 Branch Drive
Salem, VA 24153
540-389-5445
Website: www.epn.com/bha

Using a Credit Card

Know your credit card protections. When you have used your card for a purchase and you don't receive the goods or services as promised, you might be able to withhold payment for the goods or services. Card issuers must investigate billing disputes. (See the section on Credit Billing and Disputes, page 22.)

If your card is lost or stolen, you are not liable for any charges if you report the loss before the card is used. If the card is used before you report it missing, the most you will owe is \$50.

Protect your credit record. Pay bills promptly to keep finance charges low and to protect your credit rating. Keep track of your charges and don't exceed your credit limit. Report any change of address prior to moving, so that you receive bills promptly.

If you cannot pay off your full credit card balance each month, a lower interest rate will save you money. If you do pay off your balance in full each month, choose a card with no annual fee.

Preventing Credit Card Fraud

- Sign cards when they arrive, so no one can forge your signature on the cards and use them.
- Keep a record of your card numbers and expiration dates and the phone number of the card issuer in a safe place. If your card is stolen or missing, notify the card company immediately.
- Don't give your credit card number over the phone to unfamiliar companies or to people who say they need it to "verify" your identity in order to give you a prize.
- Destroy carbons and incorrect charge slips.
- Draw a line through blank spaces on charge slips. Do not sign a blank charge slip.
- Keep copies of all sales slips. Open credit card bills promptly and compare the sales slips with the charges on your bill.

- Report billing errors and unauthorized charges to your credit card company right away.

Credit Reporting

The Fair Credit Reporting Act controls how your credit history is kept, used and shared among lenders.

The three biggest credit reporting agencies, TRW, Equifax and Trans Union, have millions of credit files on consumers nationwide. Their toll-free numbers are:

- TRW—800-392-1122;
- Equifax—800-685-1111; and
- Trans Union—800-916-8800.

You can find other credit bureaus in your area by looking in the yellow pages under Credit Bureaus or Credit Reporting.

If you apply for credit, insurance, a job or to rent an apartment, your credit record might be examined. You can make sure yours is accurate.

- Get a copy once a year or before major purchases. Your report is generally free if you've been denied credit in the past 60 days. Otherwise, the credit bureau can impose a reasonable charge.
- Read the report carefully. The credit bureau must provide trained personnel to explain information in the report.
- Dispute any incorrect information in your credit record. Write to the credit bureau and be specific about what is wrong with your report. Send copies of any documents that support your dispute.

In response to your complaint, the credit bureau:

- must investigate your dispute and respond to you, usually within 30–35 days; information that is inaccurate or cannot be verified must be corrected or taken off your report; and
- cannot be required to remove accurate, verifiable information that is less than 7 years old (10 years for bankruptcies).

If you are dissatisfied with the results of the re-investigation, you can have the credit bureau include a 100-word consumer statement giving your version of the disputed information. You also can contact the source of the disputed information and try to resolve the matter.

If there is an error on a report from one credit bureau, the same mistake might be on others as well. You might want to contact the three major bureaus, as well as any local bureau listed in the yellow pages of your telephone book.

Credit bureaus sometimes sell your name to banks or others who want to send you offers for credit cards or other forms of credit. If you don't want your name included on such lists, write or call the three major credit bureaus and tell them not to release your name.

Credit Repair

You might see or hear ads from companies that promise to "clean up" or "erase" your bad credit and give you a fresh start. They charge high fees, usually hundreds of dollars, but do not deliver on their promises.

If you are thinking of paying someone to “repair” your credit, remember this:

- Negative credit information can be reported for 7 years (10 years for a bankruptcy).
- No one can require a credit bureau to remove accurate negative information before that period is up.
- There are no “loopholes” or laws that credit repair companies can use to get correct information off your credit report.
- No credit repair company can do anything you can’t do for yourself. (See the section on Credit Reporting, page 21.)
- A “money-back guarantee” does you no good if the company has gone out of business or refuses to make good on its refund promise.
- The only way to “repair” bad credit is by good credit practices over a period of time.

Some credit repair companies promise not just to clean up your existing credit record but also to help you establish a whole new credit identity. Remember, it is illegal to make false statements on a credit application or to misrepresent your Social Security number. If you use such methods, you could face fines or even prison. Beware of any company or method that:

- encourages you to omit or lie about bad credit experience when you apply for new credit;
- tells you to use a new name or address or a new number, for example, an Employer Identification Number (EIN), in place of your Social Security number in applying for credit; or

- says it is legal to establish a new credit identity.

You can rebuild your good credit by handling credit responsibly. You might want to contact a Consumer Credit Counseling Service (CCCS) office. This is a non-profit organization that will provide help at little or no cost to you. For a CCCS office in your area, call 800-388-CCCS (toll free).

Credit Billing and Disputes

The Fair Credit Billing Act applies to credit card and charge accounts and to overdraft checking. It can be used for:

- billing errors;
- unauthorized use of your account;
- goods or services charged to your account but not received or not provided as promised; and
- charges for which you request an explanation or written proof of purchase.

Protect Your Rights

- Write to the creditor or card issuer within 60 days after the first bill containing the disputed charge is mailed to you. (Even if more than 60 days have passed since you were billed for the item, you still might be able to dispute the charge if you only recently found out about the problem.)
- Send your letter to the address provided on the bill; do not send the letter with your payment.
- In your letter, give your name and account number, the date

and amount of the charge disputed, and a complete explanation of why you are disputing the charge. Be specific.

- To be sure your letter is received, and so you will have a record, you might wish to send it by certified mail, with a return receipt requested.

If you follow these requirements, the creditor or card issuer must acknowledge your letter in writing within 30 days after it is received and conduct an investigation within 90 days.

While the bill is being disputed and investigated, you need not pay the amount in dispute. The creditor or card issuer may not take action to collect the disputed amount, including reporting the amount as delinquent, and may not close or restrict your account.

If there was an error or you do not owe the amount, the creditor or card issuer must credit your account and remove any finance charges or late fees relating to the amount not owed. For any amount still owed, you have the right to an explanation and copies of documents proving you owe the money.

If the bill is correct, you must be told in writing what you owe and why. You will owe the amount disputed plus any finance charges. You may ask for copies of relevant documents.

Debt Collection

The Fair Debt Collection Practices Act applies to those who collect debts owed to creditors for personal, family and household debts, including

car loans, mortgages, charge accounts and money owed for medical bills. A debt collector is someone hired to collect money owed by you. A debt collector may not:

- contact you at unreasonable times or places, for example, before 8 a.m. or after 9 p.m., unless you agree, or at work if you tell the debt collector your employer disapproves;
- contact you after you write a letter to the collection agency telling them to stop, except to notify you if the debt collector or creditor intends to take some specific action;
- contact your friends, relatives, employer or others, except to find out where you live and work, or tell such people that you owe money;
- harass you by, for example, threats of harm to you or your reputation, use of profane language or repeated telephone calls;
- make any false statement, including that you will be arrested; and
- threaten to have money deducted from your paycheck or to sue you, unless the collection agency or creditor actually intends to do so and it is legal to do so.

If you are contacted by a debt collector, you have a right to a written notice, sent within 5 days after you are first contacted, telling you:

- the amount owed;
- the name of the creditor; and
- what action to take if you believe you don't owe the money.

If you believe you do not owe the money or don't owe the amount claimed, contact the creditor in writing and send a copy to the debt collection agency with a letter telling them not to contact you.

If you do owe the money or part of it, contact the creditor to arrange for payment.

For more information:

Contact the Federal Trade Commission, Public Reference Section, 6th and Pennsylvania Avenue, N.W., Room 130, Washington, DC 20580, 202-326-2222.

To file a complaint:

Contact your state or local consumer protection agency, your state attorney general or your Better Business Bureau.

Investment Fraud

Commodities

Do your detective work before you invest: Call toll free 800-676-4632.

There are often similarities in sales pitches used to promote fraudulent commodity investments, and knowing these can help you protect yourself from being the next victim. Prospective investors are approached through a variety of methods, such as:

- print, TV and radio (advertising and infomercials);
- advertising on the Internet and commercial online services, including "chat rooms," where a potential customer may be approached

online about a possible commodity investment vehicle;

- cold calls (unsolicited telephone calls), often from "boiler room" operations, using lead lists and lists of victims of prior investment scams; and
- social contacts, often using the common affinity of ethnic and religious affiliations.

Deceptive or fraudulent sales pitches often use misrepresentations and material omissions of fact to promote fantastic profits with little risk, and these sales pitches involve persistent, high-pressure contacts allowing little or virtually no time for reflection or investigation by the investor.

Proceed with caution when a salesperson:

- Tells you to borrow money, for instance, on a credit card, take out a mortgage on your home, or cash in your IRA to invest in commodities;
- Tells you to invest immediately, and then sends an overnight courier service to pick up your check and give you forms to sign;
- Says that you will double or triple your money quickly, profit is guaranteed (you can't lose your money), or that trading commodity futures and/or options on futures is risk-free;
- Downplays the risk disclosure documents and statement, which are required by Federal law, as insignificant or just a formality that you need not take seriously, or words to that effect; and

- Tells you to write false information on your account form, for example, to overstate your income.

After you invest, be aware of the following warning signs of trouble:

- Account statements that appear to be home-made or printed on home computers (they should be printed on letterhead stationery, without typographical errors); and
- Delays in receiving your money when you order the broker to close a trade and send you your balance.

Use the toll-free Consumer Protection Hotline before considering a commodity investment. Exchange-traded futures contracts and options on futures can be offered and sold to the public lawfully only through commodity brokers that are registered with the U.S. Commodity Futures Trading Commission (CFTC), the Federal regulatory agency for the futures and options markets.

To verify information about a register firm or individual, the National Futures Association (NFA), a CFTC-designated self-regulatory organization, maintains a toll-free Hotline at 800-676-4NFA (4632) to check/verify the registration status and disciplinary history (including customer complaints) concerning registered futures/options firms and registered salespersons (from outside the United States, reach the Hotline on 312-781-1410).

Check out free consumer protection information on CFTC's website (www.cftc.gov), including how a customer can file a complaint to institute

reparations proceedings against commodity professionals registered with the CFTC and how a customer can e-mail information about a suspect firm or broker to CFTC's Division of Enforcement.

For additional information, contact CFTC's Office of Public Affairs at 202-418-5080; for information on how to file a customer complaint, call the Office of Proceedings on 202-418-5506. See page 107 for CFTC's mailing address.

Securities

- Before making a securities investment in stocks, bonds or mutual funds, you should get written financial information such as a prospectus or annual report.
- Be wary of promises of quick profits, offers to share "inside" information and pressure to invest before you have an opportunity to investigate.
- Never invest in a product that you don't fully understand. ASK QUESTIONS. The U.S. Securities and Exchange Commission (SEC) has a publication that lists questions you should ask (see listing at the end of this section).
- Words like "guarantee," "high return," "limited offer," or "as safe as a C.D." may be a red flag. No financial investment is risk-free and a high rate of return means greater risk.
- Select a broker or investment adviser who understands your financial objectives. Interview two or three to compare experience, education and professional background.
- Call the National Association of Securities Dealers, Inc. (NASD) on 800-289-9999 toll-free to find out about the disciplinary history of the broker.
- Call your state securities regulator to see if the investment and the salesperson are registered in your state. Often your state securities regulator can give you more information about the disciplinary history of brokers and investment advisors. (A list of state securities administrators begins on page 93.) You may also get a state contact by calling the North American Security Administrators Association (NASAA) at 202-737-0900 or see the state listing on the SEC website (see address below).
- Understand how the broker or investment adviser is paid. What fees will you pay to purchase, sell or maintain the account?
- If you have a problem with your broker or your account, talk with the firm's manager. If you can't resolve the problem with the firm, contact the U.S. Securities and Exchange Commission (see page 113) or your state securities regulator.
- For free publications, including "Ask Questions: Questions You Should Ask About Your Investment," "Invest Wisely: Advice from Your Securities Industry Regulators" and "Invest Wisely: An Introduction to Mutual Funds," call toll-free 800-SEC-0330. You may visit our website at www.sec.gov

Consumer Privacy

How To Reduce Unwanted Solicitations and Guard Your Privacy

- Pay for local purchases with cash rather than by check or credit card.
- Ask manufacturers, catalogue or magazine subscription companies, charities and others with whom you do business not to sell your name to others for marketing purposes.
- Don't release your Social Security number except to an employer, government agency, lender or credit bureau that requires it to identify you.
- Don't give anyone your credit card or checking account numbers unless you're making purchases with them, and don't put credit card numbers on your checks.
- When filling out warranty or other information cards, don't include optional or unnecessary personal information.
- Federal law gives you the right to ask telemarketers to take your name off of their lists and not to call you again. Keep records of their names, addresses and the dates of your requests. File a complaint with the Federal Communications Commission (see page 111) if they don't remove your name from their marketing lists once you have made your request.
- Personal information is easily obtained by companies promoting sweepstakes, contests and prize offers. These three types of promotions are in the top ten consumer complaints nationwide. Be careful to check out the companies before deciding to do business with them or releasing personal or financial information. Contact your state or local consumer agency (see page 71) or Better Business Bureau (see page 34).

Review Files That Contain Information About You

The Medical Information Bureau (MIB) is a data bank used by insurance companies. You might want to obtain a copy of your file and make sure the information it contains is correct. Write to the Medical Information Bureau, P.O. Box 105, Essex Station, Boston, MA 02112.

Credit bureaus keep records about your credit history. You should review periodically your credit reports for accuracy. (See the section on "Credit Reporting" on page 21.)

To limit mail or telephone calls you do not want, you can sign up at no cost for a service that tells some of the telephone or mail marketing companies not to contact you. (See the sections on Telemarketing and Mail Orders, pages 13 and 12, respectively, for more information.)

Many states have their own privacy laws concerning telemarketing; employment; the use of Social Security, credit card or checking account numbers; medical records; mailing lists; credit reports; debt

collection; computerized communications; insurance records and public data banks. Check with your state or local consumer agency about specific privacy rights or a referral to the appropriate agency.

Advance Fee Scams

Be wary of ads promising guaranteed jobs, guaranteed loans, credit repair, debt consolidation or similar claims. Many of these offers are only a way to get you to send money in advance in exchange for little or no service.

- Be cautious when responding to advertisements which use 900 telephone numbers. You can be charged substantial and differing amounts for calls to 900 numbers.
- Be careful with your personal information, including Social Security, credit card and bank account numbers, among others. Fraudulent businesses could use this information to make an unauthorized charge to your credit card or to withdraw money from your bank account.
- Before you make any payment, ask the business to send you a contract and other information stating the terms of the service and whether you can cancel the service and get a refund.
- Ask how long the firm has been in business and if it is licensed properly. Request that the company send you copies of its business or other licenses. Review all contracts carefully.

- Contact your state or local consumer protection agency and the Better Business Bureau to find out a company's complaint record.
- Some states have enacted laws banning or regulating these types of businesses. To find out the law in your state or to report a fraud, contact your state or local consumer protection agency.
- For information on the dangers of these types of scams, call the non-profit National Fraud Hotline at 800-876-7060 (toll free).

Special Contracts

Health Clubs

When you are considering whether to join a health club, be cautious of:

- joining clubs that have not opened—they might never open;
- low-cost “bait” ads—many “switch” you to expensive long-term contracts;
- promises that you can cancel anytime and stop paying—check the written contract for the terms of membership and any other promises;
- the fine print—many low-cost ads and contracts severely restrict hours of use and services;
- signing long-term contracts—consumer protection agencies report that many consumers quit using the club within a few months;
- automatic monthly billing to your charge card or debit from a checking account—these are easier to start than to stop; and
- unbelievably low one-time fees with no monthly dues.

Before you sign, be sure to:

- Check with your doctor before you begin an exercise program;
- Visit the club at the hours you will be using it;
- Check to see that promised equipment/services are actually available;
- Talk with current members regarding their satisfaction with the club;
- Check out several clubs before you sign a contract;
- Consider your commitment to a long-term program—good intentions seem to fade as the reality of the hard work sets in;
- Read the contract carefully before you sign. Is interest charged for a payment plan? Are all promises in writing?
- Check with your local or state consumer agency or Better Business Bureau for any laws in your state, cancellation rights or complaints against the company.
- that dates are club members;
- your ability to review the video/profile/picture, etc., of a proposed date before your phone number is given or a meeting is arranged;
- that the information in your file is clear, e.g., wishes, interests, requirements, “won’t accept;”
- the length of the contract and the number of dates or introductions promised;
- the cost of any additional fee to extend/renew/continue the membership;
- any extra costs associated with club functions (parties, picnics, trips);
- what the club promises to do for the basic fee—there might be little relationship between the cost and performance of the club; beware of very high priced companies;
- that all “guarantees” are in writing;
- for figures on its percentage of success and the average length of time needed to locate an acceptable spouse if the club promises to find you a spouse; and
- the cancellation policy; check with your state or local consumer agency for your legal rights; contact your consumer agency or the Better Business Bureau to file a complaint.

Dating Clubs/Matchmakers

When you choose to deal with a dating service, be sure to check:

- from how far away the referrals might come;
- the economic/professional status of dates;

Timeshares/Campgrounds

- Prizes and awards might be used in promoting timeshares and campgrounds. They sometimes are overvalued or misrepresented. Free awards

might “bait” you into driving a long distance to the property, only to attend a long high-pressure sales pitch to obtain your prize.

- Be realistic. Make your decision based on how much you will use it and if it provides the recreational and vacation purposes you want. Don’t decide to purchase based on an investment possibility. It might be difficult or almost impossible to resell.
- Ask about such additional costs as finance charges, annual fees and maintenance fees. Maintenance fees can go up yearly.
- Compare your total annual cost with that of hotels or your normal vacation expenses.
- Ask about availability during your vacation periods. Ask what other timeshares or campgrounds you may use with your membership.
- Talk with individuals who already purchased from the company about the services, availability, upkeep and reciprocal rights to use other facilities.
- Get everything in writing and make sure verbal promises are in the written contract. Have an attorney review any contracts/documents and make sure there are no blanks on papers you sign.
- Do you have cancellation rights? State laws vary. Check with your local or state consumer agency.

- Check with your consumer agency or the Better Business Bureau for any complaints against the company, seller, developer and management company.

To order a free publication on timeshares and health clubs, contact the Federal Trade Commission, Public Reference Section, 6th & Pennsylvania Avenue, N.W., Room 130, Washington, DC 20580, 202-326-2222.

Travel Scams

- Don’t be taken by solicitations by postcard, letter or phone claiming you’ve won a free trip or can get discounts on hotels and airfares. These offers usually don’t disclose the hidden fees involved, for example, deposits, surcharges, excessive handling fees or taxes.
- Some travel scams require you to purchase a product to get a trip that’s “free” or “two-for-one.” You’ll end up paying for the “free” trip or more for the product than the trip is worth, and the two-for-one deal might be more expensive than if you had arranged a trip yourself by watching for airfare deals.
- Be wary of travel offers which ask you to redeem vouchers or certificates from out-of-state companies. Their offers are usually valid only for a limited time and on a space-available basis. The hotels are often budget rooms and very uncomfortable. The company charges you for the trip in advance, but will the company still be in business when you’re ready to take the trip?
- Check the reputation of any travel service you use, especially travel clubs offering discounts on their services in exchange for an annual fee. Contact your state or local consumer protection agency or the Better Business Bureau.
- Request copies of a travel club’s or agent’s brochures and contracts before purchasing your ticket. Don’t rely on oral promises. Find out about cancellation policies and never sign contracts that have blank or incomplete spaces.
- Never give out your credit card number to a club or company with which you’re unfamiliar or which requires you to call 900 numbers for information.
- Don’t feel pressured by requests for an immediate decision or a statement that the offer is only good “if you act now.” Don’t deal with companies that request payment in advance or that don’t have escrow accounts where your deposit is held.
- Research cut-rate offers, especially when dealing with travel consolidators who might not be able to provide your tickets until close to your departure date.
- You can protect yourself by using a credit card to purchase travel services. If you don’t get what you paid for, contact the credit card issuer and you might be able to get the charges reversed. Be aware that you have 60 days to dispute a charge. See page 22 for further information on billings and disputes.

Rent-To-Own

Although buying in a rent-to-own transaction sounds like a simple solution when you are short of cash, rent-to-own can be expensive. The rental charge can be three or four times what it would cost if you paid cash or financed the purchase at the highest interest rate typically charged in installment sales.

Before signing a rent-to-own contract, ask yourself the following questions:

- Is the item something I absolutely have to have right now?
- Can I delay the purchase until I have saved enough money to pay cash or at least make a down payment on an installment plan?
- Does a retail store offer a layaway plan for the item?
- Have I considered all my credit options, including applying for retail credit from the merchant or borrowing money from a credit union, bank or small loan company?
- Would a used item purchased from a garage sale, classified ad or secondhand store serve the purpose?

If you decide that rent-to-own is the best choice for you, here are some questions you should ask before you sign on the dotted line.

- What is the total cost of the item? The total cost can be determined by multiplying the amount of each payment by the number of payments required to purchase the item. Make sure to add in any additional charges, for example, finance, handling or

balloon payments at the end of the contract.

- Am I getting a new or used item?
- Can I purchase the item before the end of the rental term? If so, how is the price calculated?
- Will I get credit for all of my payments if I decide to purchase the item?
- Is there a charge for repairs during the rental period? Will I get a replacement while the rented item is not in my possession?
- What happens if I am late on a payment? Will the item be repossessed? Will I pay a penalty if I return the item before the end of the contract period?

Comparison shop among various rent-to-own merchants. Contact your local or state consumer protection agency or Better Business Bureau to find out if there are any complaints on record against the business. Check for any specific state laws. Read the contract carefully and make sure you understand all the terms and get all promises in writing.

Remember, know what you are paying. Compare the cash price plus finance charges in an installment plan with the total cost of a rent-to-own transaction.

Long-term rent-to-own contracts cost so much more than installment plans that you could rent an item, make a number of payments, return the item, buy it on an installment plan and still come out ahead.

Product Safety and Recalls

Knowing how to use products correctly, reading instructions and being alert to hazards will help to ensure a safe environment around you. You also should pay attention to product recalls in the news and consumer magazines. Several Federal government agencies provide recall information on a variety of products, including toys, cars, child safety seats, food, and health and beauty aids.

- Read about major appliances, tools and other items before you buy. There are several consumer magazines at the library which give detailed information on the prices, features and safety of various products.
- Learn to use power tools and electrical appliances safely. If you don't know what a ground fault circuit interrupter (GFCI) is, find out. Read the instructions carefully before using the equipment.
- Don't use things for purposes the manufacturer never intended. Tools aren't kids' toys.
- Poolside safety demands non-climbable fencing, CPR training, a poolside phone, a GFCI and constant adult supervision to help ensure the protection of children. Some building codes require some of these safety features.
- Make sure toys are age appropriate. Your 10-year-old's baseball bat can be a lethal weapon in the hands of your 3-year-old slugger.

- Children should always wear bicycle helmets. Some states now require them. When shopping for helmets, look for the ANSI and/or SNELL sticker to ensure the safest helmet.
 - Small parts can present choking hazards to children who put things in their mouths. Beware of balloons, balls, marbles and older children's toys.
 - Baby items demand special attention. Cribs, baby walkers and baby gates have changed dramatically as the result of new safety requirements. Don't buy used baby items that can't comply with current standards.
 - Garage and tag sales are places where small appliances, power tools, baby furniture and toys with safety defects, lead paints or other hazards get passed along to new owners. Make sure these types of items meet current safety requirements.
 - If you spot a product defect, design flaw, allergic reaction or hidden hazard, contact the U.S. Consumer Product Safety Commission or your state or local consumer protection agency.
 - Read product labels. Some products can turn into deadly poisons when mixed with other products, stored improperly or used in poorly vented areas.
 - Keep all medicines, cleaning products, wood finishes, toxic art supplies and paints out of the sight and reach of young children. Keep leftover products in their original containers. Have the poison control emergency number near your phone. Get rid of old and dated products.
 - Look for tamper-resistant packaging on foods and medicine.
 - Watch out for dinnerware decorated with lead paint or glaze and lead crystal decanters. If there's no way to ensure the items are lead-free, don't buy them.
 - Contact the Auto Safety Hotline at 800-424-9393 (toll free) to report safety problems, and to obtain recall and safety information on new and used cars, trucks, motorcycles, motor homes, child seats and other motor vehicle equipment.
- For consumer education material or to file a complaint, contact:
- (consumer products, other than cars, food or drugs)
U.S. Consumer Product Safety Commission (CPSC)
Washington, DC 20207
Product Safety Hotline:
Toll free: 800-638-CPSC;
800-638-2772
TDD toll free: 800-638-8270
Fax-on-Demand: 301-504-0051
(dial from handset of fax machine)
Website: www.cpsc.gov
E-mail: info@cpSC.gov
- (For more information about CPSC's Product Safety Hotline and Fax-on-Demand services, see page 107.)
- (vehicles, child safety seats and other motor vehicle equipment)
National Highway Traffic Safety Administration (NHTSA)
Washington, DC 20590
Auto Safety Hotline and Fax-on-Demand:
202-366-0123
Toll free outside DC:
800-424-9393
TDD: 202-366-7899

**TDD toll free outside DC:
800-424-9153**

Website: www.nhtsa.dot.gov

(food, drugs, medical devices, such radiological products as microwave ovens, televisions and sunlamps)

U.S. Food and Drug Administration
Recall and Emergency Coordinator

Refer to the white pages of your local telephone book for your regional FDA office.

Recalls

Item 595Z

Pueblo, CO 81009

(Write to this address to receive a free publication prepared by the U.S. Office of Consumer Affairs that explains which Federal agencies issue consumer product recalls, the kinds of products each of them covers, how to report product safety problems, and how to find out about warnings or recalls that have been announced.)

State and Local Consumer Protection Office (See page 71.)

Nutrition Labeling

The new food label format offers more complete, useful and accurate nutrition information than has been available in the past. Shoppers are now able to compare the nutritional value of every packaged food on the grocery shelf.

Nutrition Labeling Panel—Content

The revamped nutrition panel on each food product is called "Nutrition Facts" and lists the following mandatory dietary components:

- total calories;
- calories from fat;
- total fat;
- saturated fat;
- cholesterol;
- sodium;
- total carbohydrates;
- dietary fiber;
- sugars;
- protein;
- vitamins A and C;
- calcium; and
- iron.

Voluntary dietary components that can be listed on the label include calories from saturated fat, polyunsaturated fat, mono-unsaturated fat, potassium, soluble fiber, insoluble fiber, sugar alcohol, other carbohydrates, and essential vitamins and minerals.

Nutrition Labeling—Format

All nutrients must be stated as a percentage of their “Daily Value” (the daily nutrient intake level recommended by public health authorities) to show how much of a day’s ideal total of a particular nutrient a consumer is getting. For example, if a serving of soup contains half the amount of sodium that is recommended for consumers daily, the food label shows the “Daily Value” of sodium in that soup as 50%. These percentages are based on a daily intake of 2,000 calories.

Serving Sizes

Serving sizes have been standardized and reflect more closely the amount of food usually eaten at one time. The serving size for similar products from different manufacturers are comparable.

Nutrient Content Descriptors

Food manufacturers are required to use standardized definitions when making claims concerning the nutrient contents of foods, for example, “light,” “low-fat,” “free,” “reduced calories” and “high fiber.”

Health Claims

Product claims about the relationship between a nutrient or food and the risk of a disease are limited to specific types of claims in seven areas. For example, if a product makes a health claim related to the link between calcium and osteoporosis, the product must contain at least 200 milligrams of calcium and must be a form of calcium that can be absorbed easily by the body.

The claims must be stated so that the consumer can understand the relationship between the nutrient and the disease.

For more information, contact:

Food and Drug Administration
Consumer Affairs and Information
Department of Health and Human Services
5600 Fishers Lane
Room 16-75 (HFE-88)
Rockville, MD 20857
301-443-3170 or
Toll free: 800-532-4440

Department of Agriculture
Center for Nutrition Policy and Promotion
1120 20th Street, N.W.
Room 200
Washington, DC 20036
202-418-2312
Website:
www.usda.gov/fcs/cnpp.html

Introducing ‘%Daily Value’ The Key to Healthy Eating

Nutrition Facts	
Serving Size 1/2 cup (114g)	
Servings Per Container 4	
Amount Per Serving	
Calories 90	Calories from Fat 30
% Daily Value*	
Total Fat 3g	5%
Saturated Fat 0g	0%
Cholesterol 30mg	10%
Sodium 660mg	28%
Total Carbohydrate 31g	10%
Dietary Fiber 0g	0%
Sugars 5g	
Protein 5g	
Vitamin A 4%	Vitamin C 2%
Calcium 15%	Iron 4%
* Percent Daily Values are based on a 2,000 calorie diet.	

TIP:
If the %Daily Value for a nutrient is 5% or less, that means the food is low in that nutrient.

There's a new nutrition tool called “%Daily Value” that allows you to easily determine whether a food contributes a lot or a little of a particular nutrient. A high percentage means the food contains a lot of a nutrient. A low percentage means it contains a little. You don't have to worry about doing calculations.

Let's say you're trying to eat less fat. You come across two different brands of frozen mixed vegetables in sauce. One of the packages lists 5% as the %Daily Value for total fat. The other package gives 15%. Which should you choose? The one with 5% because 5 is a significantly lower number than 15.

Source: Food and Drug Administration, 1994